

HOUSE BILL 856

By Halford

AN ACT to amend the charter of the Huntingdon Special School District, being Chapter 374 of the Private Acts of 1919; as amended by Chapter 145 of the Private Acts of 1945; Chapter 712 of the Private Acts of 1949; Chapter 241 of the Private Acts of 1959; Chapter 244 of the Private Acts of 1967; Chapter 328 of the Private Acts of 1968; Chapter 143 of the Private Acts of 1975; Chapter 12 of the Private Acts of 1987 and Chapter 59 of the Private Acts of 1995; and any other acts amendatory thereto, to authorize the Huntingdon Special School District to issue and sell school bonds and notes; to provide the form and terms of said bonds and notes; to authorize the refinancing of said bonds and notes and other bonds and notes of the District; to establish and provide for the payment of the bonds and notes; to provide for the pledge, levy and collection of taxes and other revenues for the payment of the principal of, interest and redemption premium, if any, on such bonds and notes; to amend the District's existing tax rate and the method of establishing such rate, and to provide for the issuance and sale of said bonds and notes and the use and disposition of proceeds therefrom.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Chapter 374 of the Private Acts of 1919, as amended by Chapter 145 of the Private Acts of 1945, and Chapter 59 of the Private Acts of 1995, is amended by deleting the language added to Section 5 of Chapter 374 of the Private Acts of 1919 by Chapter 59 of Private Acts of 1995, which reads as follows:

The Board of Education shall also have the power to borrow money against the credit of the Huntingdon special school district as created by anticipated tax receipts and/or state receipts.

and substituting instead the following:

(14) To borrow money by issuing its bonds or notes in the manner provided below:

(i) The District is hereby authorized and empowered to issue and sell, by resolution of its Board, bonds and/or notes for the purpose of providing funds (A) for the acquisition of land and site preparation for and the construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school buildings and facilities, and additions thereto, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work, (B) for the funding of all accounts and funds necessary and proper in connection with the issuance and sale of the bonds and notes as the Board shall determine, (C) for the payment of interest on the bonds and notes during the period of construction and for six (6) months thereafter and (D) for the payment of all legal, fiscal, administrative, architectural, engineering, accounting and similar professional and other costs incident thereto and to the issuance and sale of the bonds and notes. The maximum principal amount of bonds and/or notes authorized to be issued shall not be limited in amount except that the Board shall determine in connection with the authorization of any bonds and/or notes that the taxes and other revenues authorized to be pledged to pay the principal of and interest on the bonds and/or notes shall be adequate to pay the principal of and interest on any bonds and/or notes issued by the District. No public referendum or election of the voters of the District shall be necessary in order for the District to issue and sell the bonds and/or notes authorized pursuant to this subsection.

(ii) The bonds and notes may be sold at public or private sale in one or more series, may bear such date or dates, shall mature at such time or times, not exceeding thirty-five (35) years from their respective dated dates with respect to any series of bonds and twelve (12) years with respect to any series of notes, may bear interest at a zero (0) rate or at such other rate or rates not to exceed the maximum rate permitted by Tennessee law (which may vary from time to time), may be payable at such time or times, may be in such denominations, may

carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium and may provide for the replacement of mutilated, destroyed or lost bonds and notes, all as may be provided by resolution of the District's Board. The bonds and notes shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the District's Board, but in no event shall the bonds and notes be sold for less than ninety-eight percent (98%) of par plus accrued interest (or, if all or any part of such bonds and notes is to be sold at a zero (0) rate of interest or at an original issue discount, such bonds and notes may be sold at not less than ninety-eight percent (98%) of the original reoffering price of such bonds and notes, plus accrued interest). The Board of the District is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the bonds and notes and to delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board shall deem necessary or desirable.

(iii) The bonds and/or notes authorized hereunder shall be issued in fully registered form and shall be executed as provided in the Tennessee Public Obligations Registration Act and in the resolution adopted by the District's Board authorizing such bonds and/or notes.

(iv) Any bonds and/or notes issued hereunder shall be paid from the taxes levied by authority of Section 7 of the District's charter, being Chapter 374 of the Private Acts of 1919, as amended by Chapter 244 of the Private Acts of 1967, Chapter 12 of the Private Acts of 1987, and any other acts amendatory thereto. Notwithstanding any provision of such Section 7 to the contrary, all taxes levied pursuant to such Section 7 are specifically authorized to be used to pay the principal of and premiums, if any, and interest on any bonds and/or notes issued pursuant to this subsection. The Board of the District is hereby authorized

to pledge such taxes as necessary to pay the principal of, premiums, if any, and interest on the bonds and notes authorized herein. The taxes shall constitute a lien on the property against which they are levied with the like force in effect as due county taxes.

(v) The Board is also authorized, but not required, to pledge to the payment of the bonds and notes all or a portion of (A) any funds received by the District under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Tennessee Code Annotated, Section 49-3-351 et seq., and related sections, (B) its share of the Local Option Sales and Use Tax now or hereafter levied and collected in Carroll County, Tennessee, pursuant to Tennessee Code Annotated, Section 67-6-712, and (C) any other funds received from the State of Tennessee, or any of its authorities, agencies or instrumentalities, for school purposes and available to be used for capital outlay expenditures.

(vi) The bonds and/or notes and all income therefrom, shall be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except as otherwise provided by applicable law.

(vii) The District is further authorized, by resolution of its Board, to borrow money and issue its bonds and notes for the purpose of refunding at or prior to maturity, in whole or in part, at any time, in accordance with the terms hereof, the bonds and notes authorized herein or that may have been previously issued by the District under applicable law and the refunding bonds and refunding notes authorized herein, in an amount not exceeding the outstanding principal amount of the outstanding bonds or notes being refunded, premium thereon, interest on such refunded bonds or refunded notes to maturity or earlier redemption and costs of issuance, including discount, if any. The Board shall have the power to provide for the custody, application and investment of the proceeds of the

refunding bonds and refunding notes pending retirement of the refunded bonds and refunded notes.

SECTION 2. The first paragraph of Section 7 of Chapter 374 of the Private Acts of 1919, as amended by Chapter 712 of the Private Acts of 1949, Chapter 241 of the Private Acts of 1959, Chapter 244 of the Private Acts of 1967, Chapter 143 of the Private Acts of 1975, Chapter 12 of the Private Acts of 1987, and any other acts amendatory thereto, is hereby amended by deleting the language "there is hereby assessed for the year 1987 and for each year thereafter a tax limit of three dollars (\$3.00) on every one hundred dollar's (\$100.00) worth of taxable property," and substituting instead the language "there is hereby assessed for the year 2013 and for each year thereafter a tax of one dollar and thirty-four cents (\$1.34) on every one hundred dollars (\$100.00) worth of assessed value of property,".

SECTION 3. The first paragraph of Section 7 of Chapter 374 of the Private Acts of 1919, as amended by Chapter 712 of 1949, Chapter 241 of the Private Acts of 1959, Chapter 244 of the Private Acts of 1967, Chapter 143 of the Private Acts of 1975, Chapter 12 of the Private Acts of 1987 is hereby further amended by deleting the last two sentences of such paragraph which read as follows:

The tax of twelve and one-half mills hereinabove in this Section levied may, to the extent of four mills, be pledged to and used by the Board of School Directors for the payment of bonds and or capital outlay notes of said District issued pursuant to authority for purposes of constructing, improving and equipping school buildings and additions thereto for said District or purchasing sites in connect therewith. To the extent that said tax is so pledged the proceeds thereof shall be deposited in a fund or funds for the payment of said bonds in accordance with the provisions of the authorizing resolution.

and by substituting instead the following:

The tax hereinabove in this Section levied may be pledged to and used by the Board for the payment of bonds and/or notes of the District as provided in Section 5 hereof.

SECTION 4. The following language added to Section 7 of Chapter 374 of the Private Acts of 1919 by Chapter 134 of the Private Acts of 1975 is deleted from Section 7:

The Board of School Directors of the Huntingdon Special School District shall have the authority to set the tax rate lower than that imposed by this Act as amended or any other Act setting a tax rate for the Huntingdon Special School District but shall not have the power to impose a tax in excess of any statutory levy. In order to change the rate of taxation, the Board shall certify on or before September 1 to the county trustee the new special school district tax rate not to exceed the rate imposed by any legislative Act, and the county trustee shall collect only the taxes based on the rates so certified.

SECTION 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.